

REPORT / RECOMMENDATION



To: MAYOR AND CITY COUNCIL

Agenda Item #: IV. I.

From: Scott H. Neal, City Manager

Action ☒

Discussion ☐

Date: May 6, 2015

Information ☐

Subject: Approve Settlement Agreement with Meisinger Construction

Action Requested:

Approve settlement agreement with Meisinger Construction.

Information / Background:

The Council awarded the Promenade Phase 4 project contract in the amount of \$1,268,550 to Meisinger Construction on February 17, 2015. Meisinger's bid was the lowest responsible bid. On February 24, the City received notice from Meisinger that it was withdrawing its bid due to a significant mathematical error it made in its bid package.

Legal counsel for Meisinger Construction and the City Attorney's Office have reached a tentative settlement of all claims relating to Meisinger's withdrawal of their bid. The bid bond for the Meisinger bid was \$63,427.50. The proposed settlement for all claims is for the Meisinger Construction to pay the City \$12,500. The proposed settlement agreement is based on an estimate of the cost of legal service to pursue a greater settlement and the probability of success of that effort.

The City Attorney and I both recommend the Council approved the proposed settlement and direct the City Attorney to prepare the necessary documents to implement it.